

PROVIDING FOR THE CONSIDERATION OF H.R. 4810, THE
MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT
OF 2000

JULY 11, 2000.—Referred to the House Calendar and ordered to be printed

Ms. PRYCE of Ohio, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 545]

The Committee on Rules, having had under consideration House Resolution 545, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for the consideration, in the House, of H.R. 4810, the Marriage Tax Penalty Relief Reconciliation Act of 2000, under a modified closed rule. The rule provides one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill.

The rule provides for consideration of the amendment in the nature of a substitute, printed in this report, if offered by Representative Rangel or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent. The rule waives all points of order against consideration of the amendment in the nature of a substitute. Finally, the rule provides one motion to recommit with or without instructions.

SUMMARY OF THE AMENDMENT MADE IN ORDER UNDER THE RULE

Rangel—Amendment in the nature of a substitute. The substitute increases the standard deduction for joint returns so that it is equal to twice the standard deduction for single taxpayers; adjusts the alternative minimum tax so that it would not disallow the full benefit of the increase in the standard deduction; increases the income level at which the earned income credit (EIC) begins to phase out by \$2,000 in 2001 and by \$2,500 on 2002 and thereafter;

and repeals the current law reduction in the EIC and refundable child credit by the amount of the minimum tax. (60 Minutes)

TEXT OF AMENDMENT MADE IN ORDER UNDER RULE

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RANGEL OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 60 MINUTES

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Marriage Tax Penalty Relief Reconciliation Act of 2000”.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking “\$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”,

(2) by adding “or” at the end of subparagraph (B),

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”, and

(4) by striking subparagraph (D).

(b) INCREASE ALLOWED AS DEDUCTION IN DETERMINING MINIMUM TAX.—Subparagraph (E) of section 56(b)(1) of such Code is amended by adding at the end the following new sentence: “The preceding sentence shall not apply to so much of the standard deduction under subparagraph (A) of section 63(c)(2) as exceeds the amount which be such deduction but for the amendment made by section 2(a) of the Marriage Tax Penalty Relief Reconciliation Act of 2000.

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking “(other than with)” and all that follows through “shall be applied” and inserting “(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied”.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

“The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsection (a) of section 32 of the Internal Revenue Code of 1986 (relating to credit for earned income) is amended by adding at the end the following new paragraph:

“(3) REDUCTION OF MARRIAGE PENALTY.—

“(A) IN GENERAL.—In the case of a joint return, the phaseout amount under this section shall be such amount (determined without regard to this paragraph) increased by \$2,500 (\$2,000 in the case of taxable years beginning during 2001).

“(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2002, the \$2,500

amount contained in subparagraph (A) shall be increased by an amount equal to the product of—

- “(i) such dollar amount, and
- “(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.”

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.